

Report to the Social Services Appropriations Subcommittee

Medicaid Expansion Program

November 2020



Statutory Requirement

As required by UCA 26-18-3.9(8), the Utah Department of Health (Department) submits this response to comply with the following statutory requirement:

“The department shall report to the Social Services Appropriations Subcommittee on or before November 1 of each year that a Medicaid expansion is operational:

- (a) the number of individuals who enrolled in the Medicaid expansion;*
- (b) costs to the state for the Medicaid expansion;*
- (c) estimated costs to the state for the Medicaid expansion for the current and following fiscal years; and*
- (d) recommendations to control costs of the Medicaid expansion.”*

Number of Individuals Who Enrolled in the Medicaid Expansion

Enrollment in the Medicaid expansion program began on April 1, 2019 and has continued to grow through state fiscal year (SFY) 2020. *Figure 1* and *Table 1* demonstrate the enrollment trend for the program. The average monthly enrollment in SFY 2020 was 46,214 members. Enrollment in the program grew to 60,698 members in June 2020.

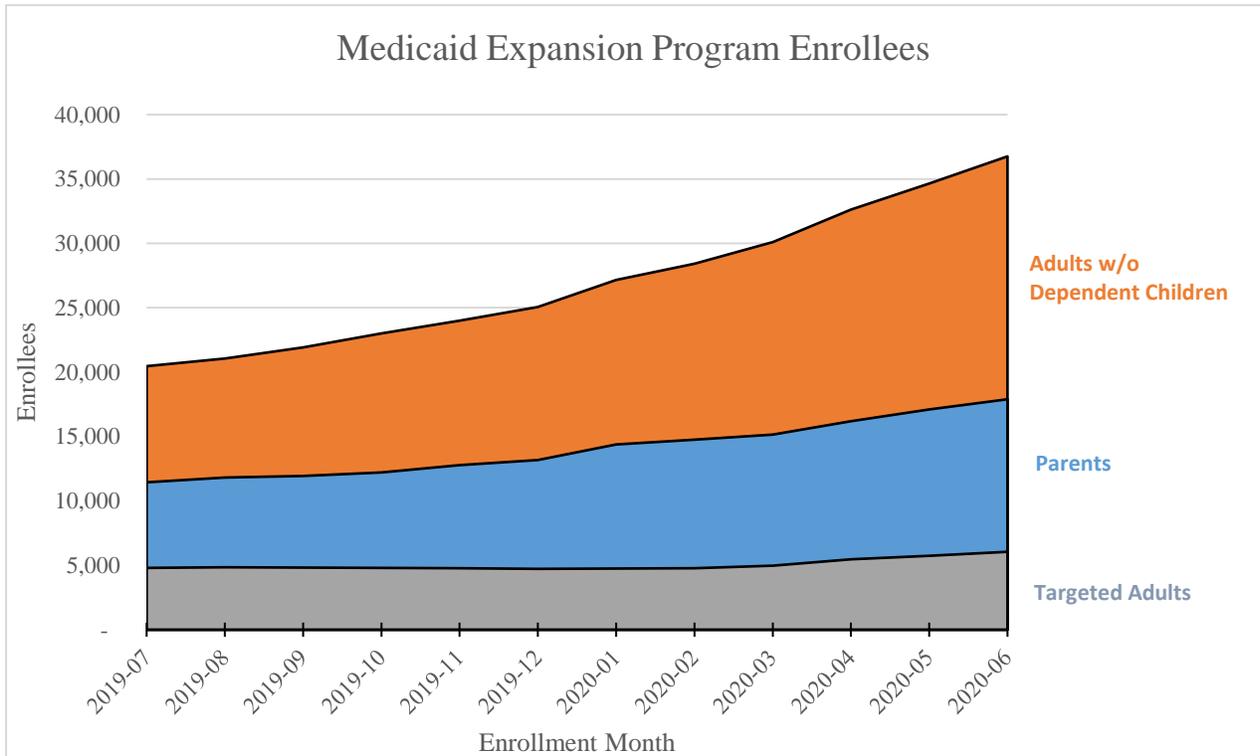


Figure 1

Expansion Category	2019-07	2019-08	2019-09	2019-10	2019-11	2019-12	2020-01	2020-02	2020-03	2020-04	2020-05	2020-06
Adults w/o Dependent Children	20,459	21,068	21,920	23,004	24,008	25,049	27,167	28,419	30,106	32,634	34,645	36,758
Parents	11,452	11,810	11,941	12,199	12,770	13,169	14,384	14,768	15,142	16,189	17,098	17,894
Targeted Adults	4,793	4,844	4,825	4,809	4,770	4,729	4,754	4,784	4,978	5,456	5,730	6,046
Total	36,704	37,722	38,686	40,012	41,548	42,947	46,305	47,971	50,226	54,279	57,473	60,698

Table 1

Costs to the State for the Medicaid Expansion

Costs for the Medicaid expansion program are expended using funds from the Medicaid expansion fund created in UCA 26-36b-208. SFY 2020 Medicaid expansion fund expenditures equaled \$77,200,400, with categorization identified in *Table 2*. These amounts include expenditures for the Health Coverage Improvement Program created by UCA 26-18-411.

Expansion Fund Expenses	Fiscal Year 2020
Medical Assistance	\$75,206,000
Administration	\$1,994,400
Grand Total	\$77,200,400

Table 2

Estimated Costs to the State for the Medicaid Expansion for the Current and Subsequent Fiscal Years

During SFY 2020, several events took place that substantially impacted the costs for the fiscal year and subsequent fiscal years:

- CMS approval of key components of the “Fallback” waiver submission;
- Effective January 1, 2020, 90% enhanced FMAP was approved for medical assistance expenditures;
- CMS approval and Department implementation of integrated care plans; and
- Approval of managed care rates and implementation of risk corridors in managed care plans.

The Legislative Fiscal Analyst (LFA), Governor’s Office of Management and Budget (GOMB), and the Department will engage in the Medicaid consensus forecasting process in early November 2020 to generate estimates of expansion fund expenditures for 2021 and 2022.

Recommendations to Control Costs of the Medicaid Expansion

On November 1, 2019, the Department submitted the “Fallback” waiver to CMS as directed by UCA 26-18-3.9(5)(a). That waiver request is still pending CMS approval.

The waiver request includes cost control items required by UCA 26-18-3.9(5)(a)(ii) and UCA 26-18-3.9(5)(c) as well as cost sharing requirements for enrollees over 100% of the Federal Poverty Level (FPL). Cost sharing will include monthly premiums and surcharges for non-emergent use of the emergency department. The Department is also requesting authority through this waiver amendment to change the program through the State’s administrative rule process, within the following limits:

- Enroll expansion adults with income over 100% FPL in the program the month after their approval (prospective enrollment)
- Not allow retroactive eligibility for expansion adults with income over 100% FPL
- Change the benefit package for most expansion adults (including Targeted Adults, but excluding medically frail) to the State’s non-traditional benefit package
- Open or suspend enrollment for each population group within Targeted Adult Medicaid
- Suspend housing supports
- Make enrollment in an integrated plan or other managed care mandatory or optional for different adult expansion groups
- Exempt certain groups from the ESI requirement